GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:3711
ANSWERED ON:09.08.2016
Non-Payment of Sugarcane Dues
Rathwa Shri Ramsinh Patalyabhai

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether a substantial amount of sugarcane dues of farmers is still outstanding despite several incentives/ packages provided to sugar mills by the Government;
(b) if so, the details thereof and the reasons therefor indicating the sugarcane dues pending during each of the last three years and the current year and action taken against the defaulting mills, State/Union territory-wise;
(c) the steps taken/being taken to expedite payment of pending dues to the farmers; and
(d) whether the Committee on sugar/sugarcane sector has made observations/recommendations regarding profitability of mills, clearance of dues and share of farmers in profits earned by the mills, if so, the details thereof and action taken thereon?

Answer

MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI C. R. CHAUDHARY)
(a) & (b): Due to surplus sugar production during the last five consecutive sugar seasons over domestic consumption and depressed sugar prices, the liquidity of the sugar mills have been adversely affected leading to accumulation of cane price arrears of the farmers. The Government has taken several measures to improve the liquidity position of the industry thereby facilitating clearance of cane price arrears. As on 31.07.2016, Rs.6598 crores are outstanding against the sugar mills for each of the last three years and the current year. State-wise details of cane price arrears for the current sugar season 2015-16, 2014-15 and 2013-14 and earlier seasons is at Annexure.
...2/-
...2...
The Sugarcane (Control) Order, 1966 stipulates payment of cane price within 14 days of supply, failing which interest at the rate of 15% per annum on amount due for the delayed period beyond 14 days is payable. The powers for enforcing this provision are delegated and vested with the State Governments/UT Administrations who have necessary field formations. The Central Government has from time to time advised the State Governments/UTs to ensure timely payment of cane dues to the farmers and to take action against the defaulting sugar mills. It was informed by the State Governments that they have issued necessary instruction to the sugar mills for early clearance of cane price arrears. Government of Maharashtra and UP have informed that recovery certificates were issued against 15 sugar mills each.
(c): The Government of India has taken several initiatives to help the sugar industry resolve liquidity problems and thereby facilitate clearance of cane price arrears of farmers:-
i) Provided incentive of Rs. 483.87 crores on Raw Sugar Export.
ii) Extended interest free loan of Rs. 6420 crores under SEFASU.
iii) Facilitated sugar mills for supply of ethanol under Ethanol Blended with Petrol Programme (EBP) by fixing remunerative price and waiving off excise duty on supply of ethanol under EBP.
iv) Scheme for Production Subsidy @ Rs.4.50 per quintal cane crushed to offset cane cost notified.
(d): Keeping in view profitability of mills, clearance of cane dues and share of farmers in profits earned by the mills, Dr. C. Rangarajan Committee on de-regulation on sugar sector inter-alia have recommended the value sharing ratio for cane farmers estimated to amount to roughly 75% of the ex-mill value of sugar alone. States have been requested to consider the recommendations for implementation as they deemed fit. So far, State Governments of Maharashtra and Karnataka have passed their State Acts incorporating the revenue sharing formula recommended by the Committee.
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Annexure
ANNEXURE REFERRED TO IN REPLY TO PART (a) OF THE UNSTARRED QUESTION NO.3711 DUE FOR ANSWER ON 09.08.2016 IN THE LOK SABHA
STATEMENT SHOWING CANE PRICE ARREARS FOR THE CURRENT SUGAR SEASON 2015-16, 2014-15 AND 2013-14 & EARLIER SEASONS (position as on 31.07.2016)
(Rs. in crores)

SL. NO.	STATE	CANE PRICE ARREARS 2015-16	CANE PRICE ARREARS 2014-15	CANE PRICE ARREARS FOR 2013-14 & EARLIER	TOTAL CANE PRICE ARREARS
1	PUNJAB	226.00	0.00	0.00	

226.00
2
HARYANA
126.00
11.00
0.00
137.00
4
UTTAR PRADESH
2877.00
57.00
112.00
3046.00
5
UTTARAKHAND
209.00
0.00
25.00
234.00
6
MADHYA PRADESH
6.00
0.00
13.00
19.00
7
CHHATISGARH
1.00
0.00
0.00
1.00
8
GUJARAT
203.00
0.00
13.00
216.00
9
MAHARASHTRA
411.00
158.00
70.00
639.00
10
BIHAR
30.00
5.00
40.00
75.00
11
ANDHRA PRADESH
81.00
37.00
0.00
118.00
12
KARNATAKA
108.00
17.00
101.00
226.00
13
TAMIL NADU
1030.00
286.00
273.00
1589.00
14
ODISHA
19.00
0.00

3.00
22.00
15
WEST BENGAL
0.00
1.00
0.00
1.00
16
PUDUCHERRY
10.00
5.00
3.00
18.00
17
GOA
1.00
0.00
0.00
1.00
18
TELANGANA
30.00
0.00
0.00
30.00
TOTAL
5368.00
577.00
653.00
6598.00
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